

SUMMARY ANALYSIS OF AMENDED BILL

Author: De Leon Analyst: Deborah Barrett Bill Number: AB 367
 Related Bills: See Prior Analysis Telephone: 845-4301 Amended Date: April 17, 2007
 Attorney: Tommy Leung Sponsor: _____

SUBJECT: Court Ordered Debt Collection Program/Reduce Minimum Unpaid Debt Amounts For Referral To \$100

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED February 14, 2007,
☒ STILL APPLIES.

OTHER – See comments below.

SUMMARY

This bill would establish a task force to evaluate the imposition of criminal court ordered debts and distribution of revenue from the collection of those debts. This bill would also lower the balance requirement for referral of Court Ordered Debt for collection to the Franchise Tax Board (FTB).

SUMMARY OF AMENDMENTS

The April 17, 2007, amendments require the Judicial Council to collect and report to the Legislature on an annual basis specified information relating to the county courts' collection practices. The April 17, 2007, amendments do not impact the department's programs, operations, or costs and are not discussed in this analysis. The department has developed a Fiscal Cost estimate for the provisions of the bill that impact the department, which is included in this analysis. The remainder of the department's analysis of the bill as introduced February 14, 2007, still applies.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

Legislative Director

Date

Brian Putler

5/2/07

SUMMARY OF SUGGESTED AMENDMENTS

Amendment 1 is provided to suggest appropriation language to fund the department's costs.

POSITION

Pending

FISCAL IMPACT

The provisions of the bill that would lower the debt referral criteria and expand the types of debts that counties may refer to FTB are expected to increase the volumes of cases received by FTB for collection. This increase in volume would result in additional operational costs for postage, printing, phone calls, and payment processing and would require additional staffing. Because the county clients have been unable to provide FTB with an estimate of the expected volume increase under this bill, FTB has used historical performance data to estimate the increased costs associated with this bill's provisions. For every 100,000 additional cases referred, it is estimated that additional funding of approximately \$1,502,000 (24.5 Personnel Years) would be needed to accommodate the anticipated increased workloads.

LEGISLATIVE STAFF CONTACT

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FRANCHISE TAX BOARD'S
PROPOSED AMENDMENTS TO AB 367
As Amended April 17, 2007

AMENDMENT 1

On page 8, after line 39 insert:

SEC 5. The sum of one million five hundred and two thousand dollars (\$1,502,000) is hereby appropriated to the Franchise Tax Board in augmentation of item 1730-001-0242, Court Collection Account, of the Governor's Budget, Chapter XX, Statutes of XXXX.